

RISK FINANCE SUBCOMMITTEE – SUPPLEMENTAL MEETING
MEETING MINUTES
Monday, June 9, 2003

MEMBERS PRESENT

Carol Fleskes	Department of Ecology
Chris Freed	Department of Licensing
Kathy Gastreich	Department of Corrections
Bill Henselman	Department of Transportation
Carole Mathews	Department of Labor and Industries
Paul Mueller	Western Washington University
Diane Perry	Washington State Patrol
Stewart Sawyer	Acordia Northwest
Jim Smego	Department of Natural Resources

MEMBERS ABSENT

Robin Campbell	Office of Financial Management
Linda Dunn	Office of the Attorney General
Bernie Friedman	Department of Social and Health Services
Charles Greenough	State Board for Community and Technical Colleges
Angela Terry	Willis of Seattle

OFM STAFF PRESENT

Nancy Heyen
John Nicholson
Betty Reed

CALL TO ORDER

Carole Mathews, Chair, called the meeting to order at 1:00 p.m.

PURPOSE OF MEETING

Carole Mathews explained that the formula modification suggestions discussed at the April 16, 2003 Risk Finance Subcommittee meeting were presented to Martin Lewis during a recent conference call. Those participating in this call included Stewart Sawyer, Carole Mathews, John Nicholson, Betty Reed, and Nancy Heyen.

After being apprised of the suggestions, Martin Lewis suggested that an approach similar to what some other states are currently using might be a viable option for Washington State. This option entails using a cap on the premium increases. The option also includes utilizing all experience contained in five years of incurred losses without any cap on claim payments. Report year versus loss date is also a key consideration.

OUTCOME

After a lengthy discussion, the attendees agreed that the key issues continue to involve an equitable approach to spreading premium among large and small agencies and a stable approach over the long run. The following options will be forwarded to Martin Lewis for analysis prior to the July 16, 2003 Risk Finance Subcommittee meeting:

1. Eliminating the cap for the three large agencies
2. Using five years of data combining loss date and report date
3. Using five years of losses by report date only
4. Using a 25 percent cap on premium increase

Martin will also be asked to further elaborate on the approach he discussed during the previous conference call.

NEXT MEETING

The next regular meeting is scheduled on Wednesday, July 16, 2003, from 1:30-3:30 p.m.

ADJOURNMENT

The meeting adjourned at 2:45 p.m.